

**Remarks of  
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Commissioner, Federal Communications Commission**

**The Future of Children's Media: Advertising  
Children NOW  
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[As prepared for delivery]

Thank you Patti, for that kind introduction, and especially for all of the work you do for children.

This is an issue that literally hits us where we live, myself included. My wife and I face huge struggles as parents over what our two pre-schoolers should be allowed to watch. And when I raised the issue of children's television at my weekly staff meeting, every parent on my staff agreed that they face similar challenges. When you multiply that by millions of families across the country affected, the responsibility is overwhelming.

So you've just participated in an incredibly important event. And, you've confronted issues at this conference that will have an overwhelming impact on the future of our country because so many of our future adults spend so much time watching so much television. And, we know interactive TV in the U.S. is on the horizon.

Fortunately, the leadership of Children NOW in advocating for policies to improve children's programming has proven critical to the Commission and to me personally. Your advocacy has helped us better understand the scope of the problem and more importantly consider possible solutions. When you think about the billions of hours children are witlessly exposed to television in this country, this conference is one of the few moments we shine a light on a pervasive part of the daily life of our nation's families: the incessant marketing to our children.

We can hardly blame the programmers, broadcasters and advertisers for following the profit motive. Our whole media system is predicated on a commercial model that generates attractive programming based on ad revenue.

I recognize the United States made a conscious decision to adopt a commercial model when broadcasting was a nascent technology. That model deserves credit for the financial and creative success of American media, which is by all accounts the most entertaining in the world.

In other countries, children's programming is funded largely by direct government appropriations or taxes, but we have a system in the U.S. that strongly encourages and enables the development of content by private enterprise. It goes without saying that the Public Broadcasting System has developed outstanding educational programming, particularly geared towards children. But commercial broadcasters have created some fine content, as well.

Content providers like Viacom, Disney and Discovery have made significant contributions to the quality of children programming. Viacom's Nickelodeon, for example, invests about a half-a-million dollars in each episode of Dora the Explorer and Blue's Clues. Disney's Healthy Kids

Initiative and donations last year of more than \$190 million to charities are truly commendable. And, call me a child at heart, but I must admit that I enjoy catching an episode of Sponge Bob on occasion. And there are many more examples.

At the same time, federal laws have been enacted to counter the excesses of commercialism that inevitably result from this model, especially when it comes to children's programming.

In 1990, Congress passed the Children Television Act to increase the amount of educational and informational TV programming for children. The Act also limited the amount of time devoted to commercials during children's programs. And in 1998, Congress passed the Children's Online Privacy Protection Act, limiting online advertisers from gathering information that identified children.

So while we certainly don't want to kill the proverbial goose that laid the golden egg of quality children's programming, we better make sure the eggs served to our children are properly cooked to protect their well-being.

As Children NOW put it, our children are the "perfect target audience" for advertisers. You've heard it said today that American companies spend \$15 billion a year on marketing and advertising to children under the age of 12. And, each year, the average child sees about 40,000 ads on television alone.

I know from personal experience. As a father of two children ages 2 and 5, I'm the first *and* last line of defense protecting Adam and Lexi from the incessant barrage of ads. My son Adam actually gets upset when I fast-forward through commercials when we watch his favorite TV shows on DVR or on demand.

So I decided to make Adam my expert witness. I asked him last night what he likes about commercials. He replied that he likes to see the toys, learn about movies that are coming up and learn about cereals. He even said he likes Cocoa Puffs, even though my wife pointed out to him that he has never tried them. That tells you something about how good these marketers are: their ads make him think something is real and good, even though he has never experienced it. And if he likes a toy or a movie ad, he expects me to get it for him or take him. And I get to be the bad guy when I say no.

He likes commercials because he knows they're fun and exciting. Very smart and well-paid promoters spend a lot of time and money making commercials interesting to him. Advertisers know that Adam's exposure to the ads increases his awareness and consumption of the products they advertise. So, even at the early, delicate age of 5, he's becoming a well-trained consumer.

And as study after study has shown, children under age 8 don't discriminate between programming and marketing. Even older children often don't understand the purpose behind ads and accept claims as true and unbiased.

So parents are really forced into a difficult position by this aggressive push to get inside our children's minds. It's just another on a long list of things making the difficult job of being a parent even more difficult.

Because we know that children are uniquely vulnerable to commercial persuasion, digital television technology only enhances the opportunities for interactivity and, commensurately, increases the potential for children to be exposed to intrusive advertising practices.

While traditional media confront new challenges in the fragmentation of viewers across competing platforms, they seek to exploit new opportunities in the convergence of television and the Internet, and the endless technological advances and interactive features of digital and IPTV. Marketers surely want to harness new technologies to capture the eyeballs of American children.

This increased likelihood of our children being exposed to yet more commercialism troubles me deeply. As many of you know, since I've joined the Commission, I've been extremely concerned with the concentration of the ownership of media assets in the hands of a few powerful media conglomerates that respond to Wall Street's demand to place bottom-line above all else.

I've traveled the country and heard a chorus of opposition to relaxing our media ownership rules that would allow big media to get bigger in most of our communities.

I've also expressed concern with what I believe to be one of the most pernicious symptoms of media concentration — the excessive commercialism of America media.

In a speech to broadcasters and television executives at the Media Institute last year, I warned about the dangers of excessive commercialism and the fact that "well-trained marketers" were "preying on the unsuspecting minds of our young children."

Well, my message might not have been particularly well received in that audience. But I felt it important to remind media representatives directly that my colleagues and I had reaffirmed the FCC's longstanding policy that "listeners and viewers are entitled to know who seeks to persuade them with the programming over broadcast stations and cable systems." So whenever there are product placements on TV, our rules require broadcasters to provide full and fair disclosure about who paid for them.

I warned that since children don't distinguish between programming and advertising, disclosure alone may not be adequate for children's programming, and that stricter measures may be necessary.

That's why, with my support, the FCC has taken steps to draw especially bright lines between advertising and programming in children's shows. In the fall of 2004, we issued a landmark ruling that drew on the expertise of Children NOW and many of you in this room. We prevented broadcasters from displaying website addresses during children's programming unless certain requirements, designed to draw clear distinctions between commercial and other content, were satisfied.

The Commission wanted to encourage broadcasters to develop interactive services that would enhance the educational value of children's programming, so we decided not to prohibit the appearance of interactive links to commercial Internet sites.

But perhaps the most critical part of the decision – when you think about its long-term impact – was our tentative conclusion that we should prohibit interactive advertisements during children's programming. We agreed unanimously that the TV shouldn't connect viewers to interactive commercial matter unless parents “opt in” to such services.

That was the right conclusion then, and I'm even more convinced it's the right conclusion now.

I had a remarkable experience about that in a meeting today with Haim Saban. He made his first fortune with the popular kids show the Mighty Morphin Power Rangers. Nobody I know has been more successful at marketing to children. He said he would definitely support a limit on interactive advertising aimed at children. Saban said it was amazing we are even having a debate about it given how clear the answer should be, and how vulnerable children are to interactive approaches.

I personally believe that we need to act as early as we can on these developments. News reports suggest that popular cable channels are preparing to launch interactive TV advertising in their children programs. This would be consistent with what many broadcasters and cable programmers are doing in the United Kingdom.

Already in some European countries, some digital cable and satellite subscribers can buy products they see on television through a simple click of their remote control. I saw myself how this can be done when I visited a cable company in Hawaii.

Now it's important to recognize that not all of the initiatives are problematic. One cable cartoon network, for example, reportedly launched a major mobile and interactive TV campaign to promote healthy eating to children as part of a week of on-air programming. That's truly commendable and more of that should be done.

But I simply can't believe the argument that it's too soon to act because interactive television is a nascent technology or we simply don't know what will unfold. We know pretty well what's going to happen. Just look at what our companies are doing overseas. Or look at the Kaiser Family Foundation study released yesterday on online food advertising targeting children. If we think the epidemic of childhood obesity and diabetes is bad now, just wait until interactive advertising makes its force known on television. But by then, it will be too late.

We should quickly move on the Further Notice on interactivity we issued in 2004 seeking comment on how to implement sensible restrictions on interactive ads and how those restrictions fit within our current regulatory structure.

We really need to take a hard look at interactive advertising and promulgate rules before it becomes an established business model here in this country.

Given that children don't always understand the distinction between advertising and programming – let alone product placement that seamlessly weaves the two together – I believe that now is the time to stop the development of interactive advertising directed to children dead in its tracks. Digital TV and new interactive technologies can provide a wealth of opportunities to children and their parents, but they should not provide wealth to advertisers at the expense of children and their parents.

Even before we get to that, though, it's high time that we implement the joint industry-advocacy group proposal on children's DTV programming. When we see such a wonderful meeting of the minds on how to proceed, we need to show our support for that kind of effort by moving quickly and responsively. I see no need to alter the major tenets of that agreement, which was put together as a careful balancing act. So it's critical that we seize the opportunity, and finalize the deal as proposed so that we don't upset the balance it achieved.

And we must deal with the level of violence that plagues much of today's programming. That was another consensus that emerged in my staff meeting the other day. The challenge of educating children about the difference between programming and advertising is one thing, but the flash of violence across the screen, whether in a show or commercial, leaves even the most prepared parent jumping for the remote. And parental concerns are well placed - so many studies have shown that violent program has a deleterious affect on our children.

In response to Congressional pressure, in July of 2004, the FCC initiated a Notice of Inquiry seeking comments on the "presentation of violent programming on television and its impact on children." It has been nearly two years since comments were due, and it's past the time that we should produce the report we promised to Congress. This month marks two years since we began this inquiry on violence, and there has been a cacophony of violent programming on kids' TV since then. We should not allow this long overdue report on violence to languish in the bowels of the Portals any longer.

Violent programming is just one outcome of the tremendous wave of commercialism in our media and in our culture. The scholarly analysis of this phenomenon, especially for how it is affecting our children, is deeply troubling. The studies show that nothing good comes from marinating children's brains in violence and advertising.

Because of the commercial broadcasting model we have in our country, we must insist that the trade-off for quality children's programming is not the minds of children, and the wallets of parents. Our children should be treated as more than mere consumers of goods and services.

I look forward to the hard work ahead with Children NOW, other children's advocacy groups, broadcasters, cable programmers, advertisers and parents on these issues. Today's conference is a great way to start. We need to protect our children from the ills of excessive commercialism and interactive advertising, while still permitting an economic environment that encourages the development of expensive, high-quality children's programming.

Together, we can move the ball forward. Thank you for having me.